

## THE ECONOMY OF INDO-CHINA

francs, of which approximately half is invested in Indo-China—a relatively small amount when compared with their capital and with the economic importance of the colony. This unique of credit for production in Indo-China is now, due to errors in struggling for its existence.

All of these banks, but especially the Bank of Indo-China, have been the object of violent criticism by natives, colonials, assemblies, and even of a former Governor of Indo-China. In addition to the old grievance of prudent selfishness in

from investing in the colony which gave it its name, and of following prosperity rather than creating it, the depression aroused more concrete reproaches against the high rate of interest, the for credit in prosperous times\* an undue tightening of credit in adversity, and its merciless treatment of debtors. To the replies that if rates on short-term loans are very high, it is to the extreme hazards of most of Indo-China's commercial operations, are not philanthropic institutions designed to dispense the consequences of their imprudence. The reproach of guaranteed loans in times of prosperity is better founded,

the merchants themselves were the first to abuse credit. Shifting the of speculation from one group to another is a futile pursuit. by their very nature, are the most obvious butt of attacks,

at some moments in Indo-China have taken a very violent turn. Its parsimonious distribution of credit has indeed been die of

the  
security enjoyed by the Bank of Indo-China, at the  
price

of  
a failure to further the colony's productivity as it  
have done. The establishment, in 1935, of the Colonial  
Credit Organi-  
zation is an eloquent indication that the government  
to

an  
institution that could fill the role which the government to do,  
Attached to a similar organization of National **Credit**  
in France\* it is  
to be the informed intermediary through which  
be  
in the colony, as well as serve as a committee to  
study the  
programmes for loans.

#### *Agricultural Credit*

Before the French came, land **was** almost the sole  
source of  
Credit was extremely scarce, the legal rate of  
interest, 3 per  
cent, was much higher in actual practice. Capital,  
it  
had little chance of being profitably employed,  
industries were in a miserable state\* The for